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9 UNITED STATES OF AMERICA

10 UNITED STATES DISTRICT COURT

11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,

No. 2:24-CR-725-ODW

13 Plaintiff,

GOVERNMENT'S SENTENCING POSITION

14 v.

15 JULIE ANNE DARRAH,

16 Defendant.

17  
18 Plaintiff United States of America, by and through its counsel  
19 of record, the United States Attorney and Assistant United States  
20 Attorney Kerry L. Quinn, hereby files its sentencing position for  
21 defendant JULIE ANNE DARRAH.

22 This sentencing position is based upon the attached memorandum  
23 of points and authorities; the files and record in this case; and

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1 such further evidence and argument as the Court may permit at the  
2 hearing on defendant's sentencing.

3 Dated: May 16, 2025

Respectfully submitted,

4 BILAL A. ESSAYLI  
United States Attorney

5 CHRISTINA T. SHAY  
6 Assistant United States Attorney  
7 Chief, Criminal Division

8 /s/  
KERRY L. QUINN  
9 Assistant United States Attorney

10 Attorneys for Plaintiff  
11 UNITED STATES OF AMERICA  
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**MEMORANDUM OF POINTS AND AUTHORITIES****I. INTRODUCTION**

Defendant JULIE ANNE DARRAH ("defendant") committed a horrible, monstrous crime. While running an investment advisory business, she stole her elderly clients' life savings, leaving some victims without money to pay for end-of-life care and depriving others of the opportunity to live out their lives with dignity and independence. She preyed on elderly victims' desire for human connection, convincing them they could trust her like a daughter, and she then abused that trust and stole their money. Some of her victims became depressed and stopped interacting with the world, losing their faith in humanity and will to live. This is a heart-wrenching, devastating case, and there is no happy ending. Defendant deserves a lengthy prison sentence and no mercy from this Court.

**II. STATEMENT OF FACTS**

The relevant facts are stipulated in the plea agreement and in the Presentence Investigation Report ("PSR") as revised on May 13, 2025 (CR 30).

**A. Background**

At all relevant times, defendant ran an investment advisory business called Vivid Financial Management Inc. ("VFM"), and through this business she provided investment advisory services to clients. VFM was an SEC-registered investment advisor, and from 2015 to 2021, defendant was the president, chief compliance officer, and one-third shareholder of VFM, and at all relevant times, defendant was an investment adviser within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

1           **B. Defendant's Theft of Her Clients' Assets**

2           Between 2016 and 2023, defendant stole approximately \$2.25  
3 million from her clients, nearly all of whom were elderly and at  
4 least some of whom were receiving end of life care. Defendant took  
5 advantage of these victims' vulnerable circumstances - stealing money  
6 from individuals who were least able to protect themselves or recover  
7 from their losses. Defendant executed the scheme by gaining control  
8 of clients' assets, liquidating securities holdings they had, and  
9 stealing the proceeds and other money in her clients' accounts for  
10 herself.

11           **C. Business Victim 1**

12           Defendant also defrauded another SEC-registered investment  
13 advisor ("Business Victim 1") in connection with the sale of her  
14 business to Business Victim 1, causing Business Victim 1 to lose  
15 approximately \$5.4 million.

16           **D. Interstate Wires**

17           In executing the fraudulent scheme, defendant caused the  
18 transmission of numerous interstate wires, including a \$90,000  
19 interstate wire identified in the plea agreement and information.

20           **E. Losses & Victims**

21           In total, in the course of and in furtherance of the fraudulent  
22 scheme, defendant caused approximately \$7.7 million in losses and  
23 substantial financial harm to at least one victim.

24           The victims were devastated by defendant's criminal conduct.  
25 Not only did they lose their life savings, they lost their trust in  
26 humanity and were left to die without money for end-of-life care and  
27 in some cases without the will to go on, as some surviving family  
28

1 members report. Below are some excerpts from some of the victim  
2 impact statements, representing the devastation defendant caused:

3 1. M.S.

4 The defendant's actions have had a devastating impact on me,  
5 financially, emotionally and physically. . . .

6 I was financially secure and was planning on living out my final  
7 years independently in my home. The defendant, who was in charge of  
8 my finances, always reassured me that I had more than enough money to  
9 stay in my home.

10 In September 2023, my life was turned upside down with one call.  
11 The call was from the SEC and said that the defendant was being  
12 investigated for embezzling funds and believed I was affected by it.  
13 . . . .

14 After a couple months, it became apparent that I would no longer  
15 be able to afford my home or stay in California. We decided it would  
16 be best to relocate to Minnesota to be close to my Son and family.  
17 The only choice was to make the drive back to California where we had  
18 an Estate sale to sell all my belongings and my home. I downsized  
19 from an 1800 ft sq home to a 700 sq ft Senior Apartment.

20 This was the hardest time in my life. We spent two months in  
21 California as I watched all my belongings being sold, including my  
22 home. There were people in and out of my home. Watching all of my  
23 possessions leaving my home as I no longer had room for them. I would  
24 ask my Son why I couldn't just buy my home back, to which I was told  
25 that I could no longer afford it as my money was all depleted by the  
26 defendant. That was the most stressful two months for all of us as  
27 this was not something any of us was expecting. They had to console  
28 me on some of my darkest days. Saying goodbye to my family and

1 friends knowing I would never see them again and driving the four  
2 days back to Minnesota was extremely difficult both physically and  
3 emotionally.

4 I was in denial that my money was really gone. I never in a  
5 million years would have believed that the defendant could do this to  
6 me.

7 I was and still am scared. Scared that someone would come after  
8 me for more of money. I now sleep with a chair blocking my door so  
9 that no one can break in. . . .

10 I was ashamed and feel guilty that I let this happen. I feel  
11 frustrated over the whole situation.

12 I'm sad and angry.

13 I have serious trust issues. I no longer trust anyone,  
14 especially when it comes to money.

15 I stress about money every day. I worry about not having enough.  
16 I worry about being dependent on my family both financially and  
17 physically. . . . I still very much miss my life in California. I  
18 miss my friends, family, home and mostly my independence.

19 My days now are spent in my apartment in front of the TV most of  
20 the day and I look forward to bedtime. I no longer have the desire to  
21 socialize or meet anyone new.

22 My heart is starting to fail and I've made the decision not to  
23 take any measures to prolong my life. This was not the quality of  
24 life I envisioned for my final years. . . .

25 2. B.C. (deceased) / friend D.R.:

26 I write this to express the profound impact that the actions of  
27 Julie Darrah had on my dear friend, [B.C.]. Julie used the guise of  
28 friendship to take advantage of a vulnerable elderly woman who

1 trusted her and considered her "a sister of the heart." This was not  
2 just a financial crime; it was a deep betrayal of trust and kindness.  
3 The emotional toll of this betrayal was immeasurable.

4 [B.C.], . . . a legendary educator and feisty woman, fell into a  
5 deep depression as a result of what happened. The weight of the  
6 deceit, combined with the stress and anxiety that followed, took a  
7 severe toll on her health.

8 Immediately following the revelation of Julie's actions,  
9 [B.C.]'s health began to deteriorate rapidly. She stopped taking her  
10 daily trips to Jack in the Box to pick up breakfast, a routine she  
11 once enjoyed. She canceled lunch dates at her favorite restaurant,  
12 Olive Garden, and we couldn't get her out of the house even to attend  
13 my children's sporting events, which always brought her such joy.

14 [B.C.] was embarrassed and ashamed that she had been taken  
15 advantage of and did not want to be seen in public. The only time I  
16 could get her out of the house was for the various appointments  
17 necessary to untangle the mess that Julie Darrah had created. I also  
18 took her to doctor's appointments, where she was prescribed  
19 antidepressants—then more antidepressants, as her mental health  
20 continued to decline. [B.C.] stopped driving in November and  
21 isolated herself from the world.

22 Unfortunately, [B.C.] did not have the strength to overcome the  
23 emotional devastation she felt. She became bed-bound and suddenly  
24 needed 24-hour care. She was hospitalized several times. Tests  
25 resulted in no conclusive diagnosis, despite her ongoing symptoms.  
26 Brenda passed away just months later, and I believe Julie Darrah's  
27 actions are the absolute cause of her rapid decline. One of the  
28



1 significant conditions listed on the death certificate is major  
2 depressive disorder.

3 The loss of [B.C.] has left a hole in my heart and in the lives  
4 of those who knew her. It's impossible to describe the pain of seeing  
5 someone you care about suffer, and in this case, it was because of  
6 someone else's greed and disregard for their well-being.

7 3. S.S. / C.S. (son):

8 Julie Darrah stole my mom's life savings and put her life in  
9 danger. I believe that the shock of this monstrous betrayal by a dear  
10 trusted friend pushed her deeper into dementia. Julie stole more  
11 money from my mom than from any of the other victims. . . .

12 Before I learned of the SEC lawsuit against Julie Darrah and the  
13 evidence they had of her monstrous crimes, I would have told you that  
14 Julie is the most trustworthy person I know! She had masterfully  
15 manipulated my feelings of trust, and thus my judgement. The same was  
16 true of my entire family, my mom's assisted living facility, her  
17 bank, her sister, her friends, and of course, my mom herself.  
18 Everyone I knew trusted Julie Darrah as a kind, thoughtful person who  
19 went out of her way to help elderly people who lived far from their  
20 families. . . .

21 The SEC investigation shows that, after selling my mom's house,  
22 Julie then drained all of my mom's accounts, stealing her life  
23 savings and the proceeds from selling her house. Julie laundered the  
24 money through a trust account and then transferred the money into her  
25 own personal account.

26 As the events were happening, we suspected nothing. But, in  
27 retrospect, the pattern was clear. Julie was systematically  
28 liquidating my mom's assets and working her way into having complete

1 control of my moms' life - finances, assisted living, health care,  
2 everything.

3 At the height of it, Julie even tricked the memory care facility  
4 into giving her the power to prevent me and my family from visiting  
5 my mom!

6 Julie also changed the Trust to make herself the sole  
7 beneficiary!

8 I believe my mother's dementia was triggered by Julie pushing  
9 her into assisted living when it apparently was not needed. Later, my  
10 mom had the further shock of learning that her dear, trusted friend  
11 stole all of her money.

12 When law enforcement apprehended Julie, my mom's accounts had  
13 all been drained, so her memory care facility could no longer be  
14 paid. This has caused my family extreme anxiety, since we were not  
15 certain whether the faculty could evict my mom for not paying her  
16 rent.

17 My mom owes her memory care facility an increasing amount of  
18 debt, which has reached \$120,000. The facility has been pressuring me  
19 to pay, but my family can't afford it. . . .

20 Julie Darrah is not just guilty of fraud. She is guilty of  
21 methodically taking control of my mom's entire life and then putting  
22 my mom's life in danger by stealing all the money needed to provide  
23 for essential memory care. Further, I am convinced Julie's actions  
24 triggered my mom's dementia and then accelerated her deteriorating  
25 condition.

26 **III. ARGUMENT**

27 The government recommends that defendant be sentenced to a term  
28 of at least 121 months imprisonment. The government also asks that

restitution be ordered in an amount to be determined at a separate restitution hearing.

**A. Advisory Sentencing Guidelines**

Based on the facts outlined above and the stipulations in the Plea Agreement, as will be amended to correct the error the PSR identified in the parties' guideline calculation, the government submits that the following advisory sentencing guidelines apply:

Base Offense Level:	7	USSG §§ 2X1.1, 2B1.1(a) (1)
Fraud loss is greater than \$3,500,000 but less than or equal to \$9,500,000	+18 <sup>1</sup>	USSG § 2B1.1(b) (1) (K)
Substantial financial harm to one or more victim	+2	USSG § 2B1.1(b) (2) (A)
Sophisticated means	+2	USSG § 2B1.1(b) (10) (C)
Investment advisor enhancement	+4	USSG § 2B1.1(b) (20) (A)
Vulnerable victims	+2	USSG § 3A1.1(b) (1)
Total Offense Level	35	

This guideline calculation is consistent with the guideline calculation in the PSR.

**B. Analysis of the § 3553(a) factors**

The government submits that a sentence of at least 121 months is necessary to comply with the sentencing goals set forth in 18 U.S.C. § 3553(a).

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<sup>1</sup> The PSR pointed out the mistake in the parties' guideline calculation; the parties have agreed to amend the Plea Agreement to correct the mistake.

1 The factors to be considered when imposing sentence, as set  
2 forth in 18 U.S.C. § 3553(a), include:

3 (1) The nature and circumstances of the offense and the  
4 history and characteristics of the defendant;

5 (2) The need for the sentence imposed -

6 (A) to reflect the seriousness of the offense, to  
7 promote respect for the law, and to provide just punishment  
8 for the offense;

9 (B) to afford adequate deterrence to criminal conduct;  
10 [and]

11 (C) to protect the public from further crimes of the  
12 defendant . . .

13 (3) The kinds of sentences available;

14 (4) [the applicable sentencing guidelines];

15 (5) [the applicable sentencing guidelines policy  
16 statement];

17 (6) The need to avoid unwarranted sentence disparities  
18 among defendants who have been found guilty of similar  
19 conduct; and

20 (7) The need to provide restitution to the victims of the  
21 offense.

22 18 U.S.C. § 3553(a) (emphasis added).

23 The statements of the victims speak for themselves in this case.  
24 Defendants' conduct was brutal, manipulative, and despicable. She  
25 deserves no mercy from this Court, and a sentence of at least 121  
26 months.

#### 27 **IV. CONCLUSION**

28 For the reasons set forth above, the government recommends that  
defendant be sentenced to a term of imprisonment of at least 121  
months, a three-year period of supervised release, and ordered to pay  
restitution in an amount to be determined at a separate restitution  
hearing to be scheduled at the sentencing hearing.